

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**



Summary of Case No. 1839/2019

**Filing of the Petition for True Up of FY 2018-19
&
Determination of Tariff for FY 2020-21**

**Under
GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines
and Directions issued by the GERC from time to time AND under Part VII
(Section 61 to Section 64) of the Electricity Act, 2003 read with the
relevant Guidelines**

Filed by:-

Uttar Gujarat Vij Company Limited

Corp. Office: Sardar Patel Vidyut Bhavan, Race Course Road, VADODARA - 390 007

“Save Energy for Benefit of Self and Nation”



1. INTRODUCTION:

Uttar Gujarat Vij Company Limited (UGVCL) is an unbundled entity of erstwhile Gujarat Electricity Board and one of the distribution companies engaged in distribution of electricity in the North area of Gujarat.

Uttar Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31st March, 2005. The Company has started commercial function w.e.f. 1st April 2005.

The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “the Hon’ble Commission”), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State inter alia including setting of tariff for electricity consumers. The Hon’ble Commission is now deemed to be the Commission established under Sub-Section (1) of Section-3 of the Gujarat Electricity Industries (Reorganization and Regulations) Act, 2003.

Pursuant to GERC (Multi Year Tariff) Regulations, 2016 along with other guidelines and directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines, UGVCL has file petition for True Up for FY 2018-19 and Determination of tariff for FY 2020-21.

Case No. 1839 of 2019.

Petition submitted to Hon’ble Commission is summarized as under.

2. TRUE -UP FOR FY 2018 - 19:

a) CATEGORY WISE SALES/REVENUE APPROVED AND ACTUAL FOR 2018-19

TABLE 1 : CATEGORY-WISE SALES/REVENUE

| Sr. No. | Particulars | Sales(MUs) | | Revenue (Rs. Crore) | |
|----------|----------------------------|--------------------------|------------------------|--------------------------|------------------------|
| | | FY 2018-19 (Approved) | FY 2018-19 (Actual) | FY 2018-19 (Approved) | FY 2018-19 (Actual) |
| A | LT Consumers | | | | |
| 1 | RGP | 2,379 | 2,256 | 1,206.90 | 1,180.48 |
| 2 | GLP | 52 | 50 | 28.55 | 29.90 |
| 3 | Non-RGP & LTMD | 1,829 | 1,935 | 1,221.35 | 1,395.38 |
| 4 | Public Water Works | 780 | 745 | 376.78 | 393.33 |
| 5 | Agriculture - Metered | 3,714 | 3,406 | 840.51 | 3,092.41 |
| 6 | Agriculture - Unmetered | 6,219 | 6,331 | 1,807.22 | |
| 7 | Public Lighting | 62 | 56 | 33.15 | 32.32 |
| | LT Total (A) | 15,035 | 14,779 | 5,514.46 | 6,123.82 |
| B | HT Consumers | | | | |
| 8 | Industrial HT | 4,802 | 7,621 | 3,739.03 | 5,229.57 |
| 9 | Railway Traction | - | - | - | - |
| | HT Total (A) | 4,802 | 7,621 | 3,739.03 | 5,229.57 |
| | Grand Total (A + B) | 19,837 | 22,400 | 9,253.48 | 11,353.39 |

b) DISTRIBUTION LOSSES

1.b.1. In FY 2018-19, the actual distribution loss was 11.19% as against the MYT approved level of 9.80%. The table below highlights the comparison of actual distribution loss of UGVCL against that distribution loss approved by the Hon’ble Commission vide its Tariff Order.



Table 2 : Distribution Losses

| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) |
|---------|---------------------|--------------------------|------------------------|
| 1 | Distribution Losses | 9.80% | 11.19% |

c) ENERGY REQUIREMENT AND ENERGY BALANCE:

The gross energy requirement of UGVCL is as under

TABLE 3 : ENERGY REQUIREMENT AND ENERGY BALANCE

| S.No. | Particulars | Unit | FY 2018-19 (Approved) | FY 2018-19 (Actual) |
|-------|---|------------|--------------------------|------------------------|
| 1 | Energy Sales | MUs | 19,836 | 22,400 |
| 2 | Distribution Losses | MUs | 2,155 | 2,823 |
| | | % | 9.80% | 11.19% |
| 3 | Energy Requirement | MUs | 21,991 | 25,223 |
| | Local Power Purchase by Discom | MUs | - | 54 |
| | Power Purchase at T<>D periphery from GUVNL | MUs | 21,991 | 25,169 |
| 4 | Transmission Losses | MUs | 880 | 1,035 |
| | | % | 3.85% | 3.9492% |
| 5 | Total Energy to be input to Transmission System | MUs | 22,871 | 26,204 |
| 6 | Pooled Losses in PGCIL System | MUs | 336 | 504 |
| 7 | Total Energy Requirement (7 + 8 + 4) | MUs | 23,207 | 26,762 |

d) CAPITAL EXPENDITURE:

The scheme-wise capital expenditure incurred in FY 2018-19 against approved by the Hon'ble Commission is as shown below:

Table 4 : Capital Expenditure



Rs in Crore

| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) | Deviation |
|----------|---|--------------------------|------------------------|----------------|
| A | Distribution Schemes | | | |
| | Normal Development Scheme | 177.00 | 259.63 | (82.63) |
| | System Improvement Scheme | 40.00 | 28.85 | 11.15 |
| | HVDS in selected Sub-division | 5.00 | 7.52 | (2.52) |
| | Under Ground Cables | 100.00 | - | 100.00 |
| | Plan Load Management Transformer | 4.00 | - | 4.00 |
| | Others (VDS) | 0.65 | - | 0.65 |
| | Total | 326.65 | 296.00 | 30.65 |
| B | Rural Electrification Schemes - Plan | | | |
| | TASP(Wells & Petapara) | 25.00 | 21.50 | 3.50 |
| | Schedule Caste Sub Plan (Wells) | 4.00 | 1.59 | 2.41 |
| | Schedule Caste Sub Plan (lighting) | 2.75 | 1.53 | 1.22 |
| | Electrification of Hutments | 4.50 | 4.94 | (0.44) |
| | Kutir Jyoti Scheme | 0.45 | 1.87 | (1.42) |
| | Dark Zone | 100.00 | 149.19 | (49.19) |
| | Sagarkhedu | 4.50 | 1.85 | 2.65 |
| | Sardar Krushi Jyoti (SKJY) Scheme | - | 18.15 | (18.15) |
| | Solar home light | 20.00 | - | 20.00 |
| | Total | 161.20 | 200.62 | (39.42) |
| C | Central Government Scheme - Plan | | | |
| | Din Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY) | 24.00 | 37.40 | (13.40) |
| | RAPDRP Part A | 2.05 | 0.01 | 2.04 |
| | Integrated Power Development Scheme (IPDS) | 20.00 | 60.43 | (40.43) |
| | SCADA Part A | 0.21 | - | 0.21 |
| | SCADA Part B | - | 1.72 | (1.72) |
| | Smart grid | 2.00 | 29.34 | (27.34) |
| | Total | 48.26 | 128.90 | (80.64) |
| D | Non Plan Schemes | | | |
| | RE (Tatkal) | 4.00 | 0.40 | 3.60 |
| | AG Normal (SPA) | 40.00 | 51.65 | (11.65) |
| | Energy Conservation | 0.10 | - | 0.10 |
| | Total | 44.10 | 52.05 | (7.95) |
| E | Other New Schemes | | | |
| | Automation and computerisation | 4.35 | 1.94 | 2.41 |
| | Civil work New Building | 14.00 | 1.63 | 12.37 |
| | GIS in cities | 0.20 | - | 0.20 |
| | Other Schemes (earthing) | 0.85 | 4.38 | (3.53) |
| | Other Repairing work / Civil work | 2.50 | - | 2.50 |
| | New Furniture and Fixtures | 1.50 | 0.80 | 0.70 |
| | Vehicles | 0.50 | 0.83 | (0.33) |
| | DSM | 2.00 | - | 2.00 |
| | DISS | 5.00 | 19.13 | (14.13) |
| | Solar Pump | 5.00 | - | 5.00 |
| | Total | 35.90 | 28.71 | 7.19 |
| F | Capital Expenditure Total | 616.11 | 706.28 | (90.17) |

FUNDING OF CAPITALISATION

The funding of actual capitalisation is done through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of capitalised asset during FY 2018-19 is mentioned in the table below.

Table 5 : Funding of Capitalisation

Rs in Crore

| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) | Deviation |
|----------|------------------------------|--------------------------|------------------------|-------------|
| 1 | Capitalization | 616.11 | 693.05 | (76.94) |
| 2 | Less : Consumer Contribution | 75.55 | 256.92 | (181.37) |
| 3 | Grants | 173.10 | 77.15 | 95.95 |
| 4 | Balance CAPEX | 367.46 | 358.98 | 8.48 |
| 5 | Debt @ 70% | 257.22 | 251.29 | 5.93 |
| 6 | Equity @ 30% | 110.24 | 107.69 | 2.55 |

e) AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19

Aggregate Revenue Requirement for FY 2018-19 for UGVCL in comparison with values



approved by the Hon'ble Commission is as under:

TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19

| Rs in Crore | | | | |
|-------------|--|--------------------------|------------------------|---------------------------|
| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) | Deviation (FY-2018-19) |
| 1 | Cost of Power Purchase | 9,319.37 | 11,113.87 | (1,794.50) |
| 2 | Operation & Maintenance Expenses | 468.40 | 616.02 | (147.62) |
| 2.1 | Employee Cost | 447.81 | 540.55 | (92.74) |
| 2.2 | Repair & Maintenance | 93.56 | 77.67 | 15.89 |
| 2.3 | Administration & General Charges | 80.02 | 90.05 | (10.03) |
| 2.4 | Other Debits | - | - | |
| 2.5 | Extraordinary Items | - | - | |
| 2.6 | Net Prior Period Expenses / (Income) | - | - | |
| 2.7 | Other Expenses Capitalised | (153.00) | (92.24) | (60.76) |
| 3 | Depreciation | 368.61 | 291.08 | 77.53 |
| 4 | Interest & Finance Charges | 140.45 | 140.78 | (0.33) |
| 5 | Interest on Working Capital | - | - | - |
| 6 | Provision for Bad Debts | 0.70 | 1.07 | (0.37) |
| 7 | Sub-Total [1 to 6] | 10,297.53 | 12,162.82 | (1,865.29) |
| 8 | Return on Equity | 197.59 | 198.21 | (0.62) |
| 9 | Provision for Tax / Tax Paid | 17.14 | 0.95 | 16.19 |
| 10 | Total Expenditure (7 to 9) | 10,512.26 | 12,361.97 | (1,849.71) |
| 11 | Less: Non-Tariff Income | 146.76 | 171.70 | (24.94) |
| 12 | Aggregate Revenue Requirement (10 - 11) | 10,365.50 | 12,190.27 | (1,824.77) |

f) SHARING OF GAINS & LOSSES

The following Table summarizes net gain/(loss) to UGVCL during FY 2018-19 on account of controllable & uncontrollable factors.

TABLE 7 : NET GAIN/ (LOSS) FOR FY 2018-19



| Rs in Crore | | | | | |
|-------------|--------------------------------------|--------------------------|------------------------|--|--|
| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) | Gain/(Loss) due to Controllable Factors | Gain/(Loss) due to Uncontrollable Factors |
| 1 | Cost of Power Purchase | 9,319.37 | 11,113.87 | (161.63) | (1,632.87) |
| 2 | Operation & Maintenance Expenses | 468.39 | 616.02 | (12.50) | (135.13) |
| 2.1 | Employee Cost | 447.81 | 540.55 | (18.37) | (74.37) |
| 2.2 | Repair & Maintenance | 93.56 | 77.67 | 15.89 | - |
| 2.3 | Administration & General Charges | 80.02 | 90.05 | (10.03) | - |
| 2.4 | Other Debits | - | - | - | - |
| 2.5 | Extraordinary Items | - | - | - | - |
| 2.6 | Net Prior Period Expenses / (Income) | - | - | - | - |
| 2.7 | Other Expenses Capitalised | (153.00) | (92.24) | - | (60.76) |
| 3 | Depreciation | 368.61 | 291.08 | - | 77.53 |
| 4 | Interest & Finance Charges | 140.45 | 140.78 | - | (0.33) |
| 5 | Interest on Working Capital | - | - | - | - |
| 6 | Provision for Bad Debts | 0.70 | 1.07 | (0.37) | - |
| 7 | Return on Equity | 197.59 | 198.21 | - | (0.62) |
| 8 | Provision for Tax / Tax Paid | 17.14 | 0.95 | - | 16.19 |
| 9 | ARR (1 to 8) | 10,512.25 | 12,361.97 | (174.51) | (1,675.21) |
| 10 | Non - Tariff Income | 146.76 | 171.70 | - | (24.94) |
| 11 | Total ARR (9-10) | 10,365.49 | 12,190.27 | (174.51) | (1,650.27) |

g) **REVENUE FOR FY 2018-19**

ACTUAL REVENUE OF UGVCL FOR FY 2018-19, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2018-19

| Rs. Crore | | | |
|-----------|--|--------------------------|------------------------|
| Sr. No. | Particulars | FY 2018-19 (Approved) | FY 2018-19 (Actual) |
| 1 | Revenue from Sale of Power | 6,579.58 | 11,353.39 |
| 2 | Revenue from FPPPA at Rs. 1.49 per kWh | 2,955.71 | |
| 3 | Other Income (Consumer related) | 252.35 | |
| 4 | Total Revenue excluding subsidy (1 + 2 + 3) | 9,787.64 | 11,474.19 |
| 5 | Agriculture Subsidy | 536.06 | 540.68 |
| 6 | Total Revenue including subsidy (4 + 5) | 10,323.70 | 12,014.87 |

h) **REVENUE GAP/(SURPLUS) FOR FY 2018-19**

Table 9: Revenue Gap for FY 2018-19



| Rs. Crore | | |
|-----------|---|------------------------|
| Sr. No. | Particulars | FY 2018-19 (Actual) |
| 1 | Aggregate Revenue Requirement originally approved for FY 2018-19 | 10,365.50 |
| 2 | Add: Gap/(Surplus) of FY 2016-17 | (193.24) |
| 3 | Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer | (1,650.27) |
| 4 | Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss) | (58.17) |
| 5 | Revised ARR for FY 2017-18 (1 + 2 - 3 - 4) | 11,880.70 |
| 6 | Revenue from Sale of Power | 11,353.39 |
| 7 | Other Income (Consumer related) | 120.80 |
| 8 | Total Revenue excluding Subsidy (6 + 7) | 11,474.19 |
| 9 | Agriculture Subsidy | 540.68 |
| 10 | GUVNL Profit / (Loss) Allocation | 7.08 |
| 11 | Total Revenue including Subsidy (8 + 9 + 10) | 12,021.95 |
| 12 | Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5 - 11) | (141.25) |

The Hon'ble Commission is requested to approve above mentioned gap and allow UGVCL to recover this gap in FY 2020-21.

3. ARR and Tariff Determination for FY 2020-21:

UGVCL submits that the revenue gap/(surplus) for FY 2020-21 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2018-19 and the ARR approved by the Hon'ble Commission for FY 2020-21 in its MTR Order issued on 24TH April 2019. The approved ARR for FY 2020-21 is as follows:

Table 10 : Approved ARR for FY 2020-21

| Sr. No. | Particulars | Approved for Mid-Term Review |
|------------|--|------------------------------------|
| | | 2020-21 |
| 1 | Cost of Power Purchase | 11843.65 |
| 2 | Operations & Maintenance Expenses | 751.54 |
| 2.1 | Employee Cost | 643.75 |
| 2.2 | Repairs & Maintenance Expenses | 72.50 |
| 2.3 | Administration & General Expenses | 117.24 |
| 2.4 | Other Debits | 0 |
| 2.5 | Extraordinary Items | 0 |
| 2.6 | Net Prior Period Expenses / (Income) | 0 |
| 2.7 | Other Expenses Capitalised | (81.76) |
| 3 | Depreciation | 273.65 |
| 4 | Interest & Finance Charges | 173.91 |
| 5 | Interest on Working Capital | 0 |
| 6 | Bad Debts Written off | 0.31 |
| 7 | Sub-Total [1 to 6] | 13043.26 |
| 8 | Return on Equity | 231.86 |
| 9 | Provision for Tax / Tax Paid | 14.38 |
| 10 | Total Expenditure (7 to 9) | 13289.50 |
| 11 | Less: Non-Tariff Income | 138.68 |
| 12 | Aggregate Revenue Requirement (10 - 11) | 13150.82 |

(a) Approved Sales for FY 2018-19:

The Hon'ble Commission has approved sales of 24584 MUs for FY 2020-21 in Order dated 24TH April 2019 for FY 2020-21 in the table below:

Table 10 : Category Wise sales approved for FY 2020-21

| Category | Approved sales in MUs |
|---------------------|-----------------------|
| LT Consumers | |
| RGP | 2594 |
| GLP | 54 |
| NRGP and LTMD | 2170 |
| Public Water Works | 877 |
| Agriculture | 9614 |
| Street Light | 58 |
| HT consumers | 9218 |
| Total | 24584 |

(b) Revenue Projection:

Based on category-wise sales approved by the Commission in the MTR Order dated 24 April, 2019 & existing retail tariff, revenue from sale of power works out to Rs. 8,411.75 Crore for FY 2020-21. The consumer category wise revenue for FY 2020-21 estimated by UGVCL is as given in the following table:

TABLE 12: REVENUE AT EXISTING TARIFF FOR FY 2020-21

| S.No. | Particulars | Revenue excluding FPPPA (Rs in Crore) |
|----------|----------------------------|---------------------------------------|
| | | FY 2020-21 (Projected) |
| A | LT Consumers | |
| 1 | RGP | 921.19 |
| 2 | GLP | 23.35 |
| 3 | Non-RGP & LTMD | 1,207.81 |
| 4 | Public Water Works | 307.46 |
| 5 | Agriculture-Unmetered | 889.25 |
| 6 | Agriculture-Metered | 293.65 |
| 7 | Public Lighting | 23.88 |
| | LT Total (A) | 3,666.59 |
| B | HT Consumers | |
| 8 | Industrial HT | 4,745.16 |
| 9 | Railway Traction | - |
| | HT Total (B) | 4,745.16 |
| | Grand Total (A + B) | 8,411.75 |

The Revenue from FPPPA for FY 2020-21 has been projected considering the base rate of 159 paise per unit. The FPPPA projection for FY 2020-21 is as given in the table given below:

TABLE 13: FPPPA PROJECTED FOR FY 2020-21



| Sr. No. | Particulars | FY 2020-21 (Projected) |
|---------|--------------------------------|---------------------------|
| 1 | Projected Sales (MU) | 24,583.98 |
| 2 | FPPPA Rate (Rs./kWh) | 1.59 |
| 3 | Revenue from FPPPA (Rs. Crore) | 3,908.85 |

Based on the above projections, the total revenue of the company comprises of revenue from sale of power at existing tariff, FPPPA charges, other consumer related income and Agriculture Subsidy. Total revenue for FY 2020-21 is as shown below:

TABLE 14 : TOTAL PROJECTED REVENUE FOR FY 2020-21 AT EXISTING TARIFF

| | | Rs in Crores |
|----------|---|---------------------------|
| Sr. No. | Particulars | FY 2020-21 (Projected) |
| 1 | Revenue with Existing Tariff | 8,411.75 |
| 2 | FPPPA Charges | 3,908.85 |
| 3 | Other Income (Consumer related) | 120.80 |
| 4 | Agriculture Subsidy | 511.92 |
| 5 | Total Revenue including subsidy (4 to 7) | 12,953.32 |

BASED ON THE ABOVE, THE ESTIMATED REVENUE GAP/ (SURPLUS) FOR FY 2020-21 AT EXISTING TARIFF IS AS OUTLINED IN THE TABLE BELOW:

TABLE 15: REVENUE GAP FOR FY 2020-21 AT EXISTING TARIFF

| | | Rs in Crore |
|----------|---|---------------------------|
| Sr. No. | Particulars | FY 2020-21 (Projected) |
| 1 | Aggregate Revenue Requirement | 13,150.82 |
| 2 | Revenue Gap from True up of FY 2018-19 | (141.25) |
| 3 | Total Aggregate Revenue Requirement | 13,009.57 |
| 4 | Revenue with Existing Tariff | 8,411.75 |
| 5 | FPPPA Charges | 3,908.85 |
| 6 | Other Income (Consumer related) | 120.80 |
| 7 | Agriculture Subsidy | 511.92 |
| 8 | Total Revenue including subsidy (4 to 7) | 12,953.32 |
| 9 | Gap / (Surplus) (3 - 8) | 56.25 |

(c) Tariff Proposal:

Company has submitted True-up application for FY 2018-19 and Determination of Tariff for FY 2020-21 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2020-21. However, following change are proposed in the tariff structure for FY 2018-19:

- Base rate for FPPPA charges works out to Rs. 1.59 paisa / unit to estimate the revenue for FY 2020-21

(d) Provisions for availing the copy of Submission:

Tariff petition together with supporting material will be available for inspection as well as for sale at Rs. 200/- to the interested persons at the office of The Chief Engineer, Regd. and Corporate Office, Uttar Gujarat Vidyut Company Ltd, Visnagar Road, Mehsana- 384001 and at the office of the



Superintending Engineer of UGVCL, in Charge of O&M Circle. For obtaining the copy of the petition by post, postage fee @ Rs.50/- (Rupees Fifty) will be payable extra.

NOTE: -

The total amount in such event be sent by Money Order or Demand Draft payable in favour of Uttar Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website www.guvnl.com and www.ugvcl.com

(e) Guideline for submission of response:

Pursuant to GERC (Multiyear Tariff) Regulations, 2016 & GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5c Zone 5, GIFT City, Gandhinagar along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before 15.01.2020 and also indicate whether they intend to be heard in person.